17 May 1968

MEMORANDUM FOR THE RECORD

SUBJECT:

H. R. 14907

REFERENCE: Memorandum for the Record dated 20 March 1968 re S. 3002

- 1. H. R. 14907 amends the Federal Credit Union Act and was reported by the Committee on Banking and Currency in amended form 9 May 1968 (Report No. 1372).
- 2. H. R. 14907 as reported out appears to be of general interest in the following respects:
 - a. extends the maximum loan period for secured loans from five to ten years (Section 1(1));
 - b. authorizes personal disability insurance against credit union obligations with cost to be included in the borrowers loan repayment schedules (Section 1(3));
 - c. authorizes the borrowing of funds by credit unions (Section 1(4));
 - d. increases the limit for unsecured loans from \$750 to the lesser of \$2,500 or 2 1/2 percentum of the credit unions unimpaired capital and surplus (for a credit union of the size of the Agency's) and limits total loans to one borrower to the greater of either \$200 or 10 percent of the credit union's unimpaired capital and surplus (Section 1(5)); and
 - e. makes changes in connection with audits and provides for suspension of officers, members of credit committee or board of directors (Section 1(6)).

Approved For Release 2002/08/01 : CIA-RDP71B00364R000100080048-7

STATINTL	3. Significantly, the Committee struck from H. R. 14907 the provision which would have changed the basis for establishing a regular reserve from 10 percent of shareholding to 7 percent of outstanding loans.		
	4.	Credit Union, was advised.	
		Office of Legislative Counsel	STATINTL
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